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FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

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IN REPLY REFER TO:

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Honorable J. Bennett Johnston United States Senate 136 Hart Senate Office Building Washington, DC 20510

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Dear Senator Johnston:

Thank you for your letter on behalf of Linda Wheeler of Lake Charles, Louisiana. Your constituent objects to rate increases by her local cable television operator.

The Commission has a clear understanding that Congress adopted the Cable Act of 1992 to constrain unreasonable cable rates. The Commission is in the process of formulating rules implementing the rate provisions of the law and is seeking public comment on those provisions that address rate rollbacks, refunds, and evasions of statutory requirements. The Commission will attempt to implement these provisions faithfully, and will consider the conduct of the cable industry during the interim period in deciding what kind of regulation is needed.

Your constituent's letter will be placed in the record of this proceeding so that the Commission can be mindful of her concerns during its deliberations. I trust that the foregoing and the enclosures are informative.

Sincerely,

Chief, Mass Media Bureau

Enclosures

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Congressional

CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM 02/02/93

LETTER REPORT CONTROL NO. DATE RECEIVED DATE OF CORRESP DATE DUE DATE DIJE OLA (857) J. BENNETT JOHNSTON LOUISIANA

United States Senate

WASHINGTON, DC 20510-1802

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January 27, 1993

Mrs. Linda Townsend Solheim, Director Federal Communications Commission Legislative Affairs 1919 M Street, N.W., Room 857 Washington, D.C. 20554

Dear Mrs. Solheim:

Because of my desire to be responsive to all inquiries, I respectfully request your consideration of the enclosed material.

I will appreciate your findings and views, in duplicate form, along with the return of the enclosures by February 26, 1993.

With kindest regards, I am

Sincerely,

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JBJ/gbb Enclosure December 21, 1992

Honorable J. Bennett Johnston, Senator 136 Hart Senate Office Building Washington, D.C. 20510 1992 DEC 28 AM 8: 11

RE: Cable Rates

Dear Senator Johnston,

I have just received notification from Video Design (our local cable company) that their monthly rates will increase from \$23.95 to \$25.50, effective January 1. Since they had compaigned vigorously against the recent cable legislation and warned the legislation would cause rates to increase, I was not terribly surprised about their move. But I sincerely hope that something can be done soon to force this company, and others who are milking their customers' pocketbooks, to provide services at reasonable rates.

When I first subscribed to basic cable in 1980, the monthly rate was \$8.25. That rate included CNN, CNN Headline News, TBS, HSE, ESPN, USA and others. After the deregulation of cable, the cable company pulled a fast one--they split off ESPN, HSE, CNN, CNN Headline News, USA and a number of other channels that had been previously included in the basic rate, put them into a "Basic Plus" package, for about \$5.00 additional charge per month, and lowered the rate of the plain vanilla "Basic" (local area channels plus TBS and C-Span). Of course, in order to get the "Basic Plus" package, one must first subscribe to the "Basic" package. I have subscribed to the Basic Plus package since it was initiated, but because the content of the Basic and Basic Plus is essentially the same as the original Basic package, the combined rates for both must be used to demonstrate the rate increases over the last 12 years.

Following is a list of the rate increases from 1980 to date:

10/80 -	\$ 8.25	03/88 -	\$13.95
10/81 -	\$10.25	02/89 -	\$16.95
07/84 -	\$10.95	10/89 -	\$19.95
07/85 -	\$11.45	01/91 -	\$21.95
01/86 -	\$11.95	01/92 -	\$23.75
		01/93 -	\$25.50

This represents over a 300% increase in cable rates since 1980. During the first seven years represented above, cable rates increased by 45%; during the last 5 years, they have increased by 113%. I can think of no other service or product that has increased at this rate in the same time period. The service is no better than it ever was—there are frequent outages that last several hours at a time, the reception is seldom as good as we can receive local channels with an antenna, some channels are consistently poor, you can hardly call the cable office without getting a busy signal, and when you complain to them about their service, they are rude.

Please do anything you can to help cable consumers like me from continuing to be ripped off.

Sincerely,

Linda Wheeler Rt. 7, Box 928

Lake Charles, LA 70611

Rinda Wheeler